

Fresno, California

May 26, 2011

The City Council met in regular session at the hour of 8:38 a.m. in the Council Chamber, City Hall, on the day above written.

Present:	Oliver Baines III	Councilmember
	Andreas Borgeas	Councilmember
	Clinton Olivier	Acting Council President
	Sal Quintero	Councilmember
	Blong Xiong	Councilmember
	Larry Westerlund	Councilmember
	Lee Brand	Council President

Mark Scott, City Manager
Bruce Rudd, Assistant City Manager
Jim Sanchez, City Attorney
Becky Klisch, City Clerk
Yolanda Salazar, Assistant City Clerk

Reverend Sharon Stanley gave the invocation and Councilmember Xiong led the Pledge of Allegiance.

APPROVE MINUTES OF MAY 19, 2011:

On motion of Councilmember Baines, seconded by President Brand, duly carried, RESOLVED, the minutes of May 19, 2011, approved as submitted.

COUNCIL MEMBER REPORTS AND COMMENTS:

Councilmember Borgeas thanked Del Estabrooke, Brian Jones and all involved staff for their hard work on the Golden State parking and traffic issues.

Councilmember Baines thanked his Council colleagues and the Mayor, on behalf of Dr. Solwazi from Fresno City College, for the City proclamation that was presented to him at a ceremony honoring his retirement after 41 years of work.

Councilmember Xiong (1) thanked Controller John Chiang for hosting an event with Assemblyman Perea and Senator Rubio at Fresno State; (2) spoke to his attendance at a United Way event with City Manager Scott and Acting President Olivier and congratulated all the winners; and (3) congratulated all upcoming graduates and commended them for all their hard work.

Councilmember Westerlund (1) advised there had been nothing new or specific out of Sacramento on the redevelopment issue and he would continue to monitor the issue closely; and (2) spoke to the EOC gym and issues with a state grant that funded the gym, and advised he asked the RDA director to not sign any check over until issues are addressed and the RDA Board makes a determination based on new information coming forward. Brief discussion ensued, City Attorney Sanchez stated his office was researching details and further explained, and Chair Westerlund requested staff schedule the matter on the next agenda for discussion in closed session.

President Brand thanked Brian Jones and staff, the police department, and Eye-Q and all the other sponsors for their work on, and sponsorship of, the California Classic Ride, and stated it was a great event but was marred to some extent by the tragic death of cyclist Crystal Stanford and the serious accident of Mr. Leonard.

APPROVE AGENDA:

On motion of Councilmember Baines, seconded by Councilmember Xiong, duly carried, RESOLVED, the **AGENDA** hereby approved as presented, by the following vote:

Ayes : Baines, Borgeas, Olivier, Quintero, Xiong, Westerlund, Brand
Noes : None
Absent : None

ADOPT CONSENT CALENDAR:

Councilmember Westerlund pulled Item **1-A** from the Consent Calendar for separate discussion/action.

(1-B) APPROVE SIDE LETTER OF AGREEMENT WITH FRESNO CITY EMPLOYEES ASSOCIATION (FCEA) UNIT 3, REGARDING STATUS, SENIORITY, AND PROBATIONARY PERIODS FOR COMMUNITY REVITALIZATION SPECIALIST CLASSES

(1-C) ADOPT FINDINGS OF CATEGORICAL EXEMPTION PURSUANT TO CEQA (EXISTING FACILITIES AND IN-FILL DEVELOPMENT) FOR THE INSTALLATION OF TRAFFIC SIGNALS, CURB RAMPS AND TRANSITION PAVEMENT AT THE McKINLEY AND HUGHES AVENUES INTERSECTION (NORTHEAST CORNER)

#1 APPROVE ACQUISITION OF ONE PUBLIC STREET EASEMENT THAT IS NECESSARY FOR THE PROJECT FROM PROPERTY OWNED BY ROSENBALM PROPETIES, LLC, IN THE AMOUNT OF \$6,800

(1-D) **RESOLUTION NO. 2011-94** – 94TH AMENDMENT TO AAR 2011-138 APPROPRIATING \$75,000 FOR SUPPLEMENTAL GROUNDWATER INVESTIGATION AND REMEDIAL ACTION AT THE FRESNO SANITARY LANDFILL

(1-E) ADOPT FINDINGS OF CATEGORICAL EXEMPTION PURSUANT TO CEQA (EXISTING FACILITIES AND IN-FILL DEVELOPMENT) FOR THE INSTALLATION OF TRAFFIC SIGNALS, CURB RAMPS AND TRANSITION PAVEMENT AT THE McKINLEY AND HUGHES AVENUES INTERSECTION (NORTHWEST CORNER)

#1 APPROVE ACQUISITION OF ONE PUBLIC STREET EASEMENT THAT IS NECESSARY FOR THE PROJECT FROM PROPERTY OWNED BY SOCORRO HIGAREDA, IN THE AMOUNT OF \$5,000

(1-F) APPROVE AN AMENDMENT TO THE EXCLUSIVE NEGOTIATION AGREEMENT WITH CHILDREN & FAMILIES COMMISSION OF FRESNO COUNTY (“FIRST 5”) PROVIDING FOR A 12-MONTH EXTENSION OF THE ORIGINAL AGREEMENT FOR THE POTENTIAL SALE OF A PARCEL OF CITY-OWNED REAL PROPERTY IN DOWNTOWN FRESNO

(1-G) **RESOLUTION NO. 2011-95** – AUTHORIZING SUBMISSION OF AN APPLICATION TO THE DEPARTMENT OF RESOURCES RECYCLING AND RECOVERY (CalRecycle) FOR A WASTE TIRE ENFORCEMENT GRANT, AND AUTHORIZING THE ASSISTANT DARM DIRECTOR TO SIGN DOCUMENTS ON BEHALF OF THE CITY

(1-H) **BILL NO. B-16 – ORDINANCE NO. 2011-16** – AMENDING THE FRESNO MUNICIPAL CODE RELATING TO LOCAL SALES AND USE TAXES, PURSUANT TO THE MOU WITH FRESNO COUNTY

On motion of Councilmember Westerlund, seconded by President Brand, duly carried, RESOLVED, the above entitled **CONSENT CALENDAR** hereby adopted, by the following vote:

Ayes : Baines, Borgeas, Olivier, Quintero, Westerlund, Xiong, Brand
Noes : None
Absent : None

President Brand requested today’s budget meeting be terminated at 4:00 p.m. adding the hearing would continue on tomorrow beginning at 8:30 a.m.

CONTESTED CONSENT CALENDAR:

(1-A) RESOLUTION – ESTABLISHING COMPARISONS FOR PURPOSES OF ESTABLISHING RETIREMENT BENEFITS FOR DELETED CLASSES (BENCHMARKING SALARIES FOR THE DELETED CLASSIFICATIONS OF CODE ENFORCEMENT SPECIALIST, NEIGHBORHOOD SERVICES SPECIALIST I, NEIGHBORHOOD SERVICES SPECIALIST II, NEIGHBORHOOD STANDARDS SPECIALIST I, NEIGHBORHOOD STANDARDS SPECIALIST II, SENIOR NEIGHBORHOOD SERVICES SPECIALIST, AND SENIOR NEIGHBORHOOD STANDARDS SPECIALIST)

Upon question of Councilmember Westerlund Personnel Director Bond stated when positions are deleted they have to be tied to a currently existing position to get a benchmark for retirement purposes as required by the Fresno Municipal Code, and expanded further on the issue and responded to additional questions of Councilmember Westerlund and City Manager Scott relative to the system, process, formula, final calculations and scenarios. Mr. Scott spoke to the CalPERS system, his concern with the City's system, and this matter being worth understanding more and/having the Pension Task Force review it. Discussion continued and President Brand stated, as a task force member, that the committee did not get into the detail on the cost of living raises that continue for retirees along the way. Councilmember Westerlund concurred this was worth looking into further and added he felt a determination needed to be made on whether the City should continue the "Fresno method" versus CalPERS or some other method used by other entities, and made a motion to adopt the resolution. The motion was seconded by President Brand, a vote was taken, and the matter was approved unanimously. Councilmember Xiong questioned, if this matter comes back and the code is changed, whether it would affect those in the system at that time and future retirees or if it would be retroactive, with City Attorney Sanchez stating a report would come back from the pension task force which would allow Council to get into a greater level of detail on issues that were broached here. Upon further question on the action just taken Mr. Sanchez clarified this was to simply get the benchmark for purposes of retirement calculations, Councilmember Westerlund added there was nothing timely about this, and Councilmember Xiong suggested this matter be rolled over until the pension task force provides their report.

On motion of Councilmember Westerlund, seconded by President Brand, duly carried, RESOLVED, the prior motion and vote hereby rescinded, by the following vote:

Ayes : Baines, Borgeas, Olivier, Quintero, Westerlund, Xiong, Brand
Noes : None
Absent : None

On motion of Councilmember Westerlund, seconded by President Brand, duly carried, RESOLVED, the above entitled Resolution continued for four weeks for a report from the Mayor's Pension Task Force, by the following vote:

Ayes : Baines, Borgeas, Olivier, Quintero, Westerlund, Xiong, Brand
Noes : None
Absent : None

(9:15 a.m. "A") APPROVE THE FIRST AMENDMENT TO THE FRESNO-CLOVIS WATER SYSTEM INTERCONNECTION AGREEMENT, IN AN ESTIMATED ANNUAL AMOUNT OF \$133,041, FOR TREATMENT AND DELIVERY OF POTABLE WATER TO COMMUNITY SERVICE AREA 51 IN FRESNO COUNTY

Lon Martin with Provost & Pritchard gave an in-depth review of the issue **(2 – 0)**, and advised of a correction to Page 2 of the staff report under CSA 51 Water Supply and Usage: 3rd sentence, stating the language that the 432 parcels could not be subdivided was not the case as those 432 parcels were the only parcels that would receive one water connection only and no additional water services would be provided per the agreement.

Russell Appling, homeless, spoke to subdividing land and water issues.

Mr. Martin, County Design Division Manager Dailey, Public Utilities Director Wiemiller and City Attorney Sanchez responded at length to questions, comments and concerns of Councilmember Westerlund relative to the structure, why this was rolling through the city of Clovis and not Fresno, transmission mains/primary connections/locations, water flow, number of parcels, Appaloosa Acres/homes in the area, water being sold to the County at a wholesale rate and what will happen when Fresno and Clovis rates increase, the city's 5-year rate plan/need for adjustments for CSA 51, contract compliance and concern with possibly overlooking

when rates are raised, responsibility for broken lines/replacement of equipment/infrastructure, the loan program just approved for county islands and need to clearly include in the contract that CSA 51 is not eligible for that type of assistance or any assistance from the city of Fresno (with Mr. Martin clarifying that program was for sewer connections and had nothing to do with water), and rural residential developments being a mistake and concern with city of Fresno trying to fix a mistake the County allowed many years ago. Councilmembers Baines and Olivier left the meeting during questioning.

On motion of Councilmember Xiong, seconded by Councilmember Quintero, duly carried, RESOLVED, the first amendment to the Fresno-Clovis Water System Interconnection Agreement for the treatment and delivery of potable water to Fresno County Community Service Area 51 (CSA 51) hereby approved, and the Director of Public Utilities authorized to execute all documents, by the following vote:

Ayes	:	Borgeas, Quintero, Westerlund, Xiong, Brand
Noes	:	None
Absent	:	Baines, Olivier

(9:15 a.m. "B") RESOLUTION NO. 2011-96 – AUTHORIZING SUBMITTAL OF AN APPLICATION FOR AND ACCEPTANCE OF HUD HEALTHY HOMES PRODUCTION PROGRAM FUNDING IN THE AMOUNT OF \$2 MILLION, AND AUTHORIZE THE ASSISTANT DARM DIRECTOR OR DESIGNEE TO EXECUTE PROGRAM DOCUMENTS

Acting President Olivier returned to the meeting at 9:44 a.m. Housing Manager Casares reviewed the issue and recommended approval, all as contained in the staff report as submitted.

On motion of Councilmember Quintero, seconded by Councilmember Xiong, duly carried, RESOLVED, the above entitled Resolution No. 2011-96 hereby adopted, by the following vote:

Ayes	:	Borgeas, Olivier, Quintero, Westerlund, Xiong, Brand
Noes	:	None
Absent	:	Baines

(9:15 a.m. "C") RESOLUTION NO. 2011-97 – AUTHORIZING SUBMITTAL OF AN APPLICATION FOR, AND ACCEPTANCE OF, HUD 2011 LEAD-BASED PAINT HAZARD CONTROL GRANT FUNDING IN THE AMOUNT OF \$3,150,000, AND AUTHORIZE THE ASSISTANT DARM DIRECTOR OR DESIGNEE TO EXECUTE PROGRAM DOCUMENTS

Housing Manager Casares corrected the staff report stating after the report was issued HUD rewrote the notice of funding availability and reduced the maximum grant from \$3.15 million to \$2,475,000 which was what staff would be applying for, and advised everything else would remain the same and expanded further.

Richard Smith, 4724 W. Swift, expressed concern with targeting specific areas stating assistance should be offered citywide.

Relative to Mr. Smith's comments Councilmember Quintero clarified federal guidelines required target areas and made a motion to approve. Councilmember Xiong concurred guidelines were pretty specific in terms of region/target/demographics and presented questions relative to target area determining factors, state/federal/match funds, who determined the four target areas/zip codes, outreach/education, if a client/child from outside the target areas could also be assisted, if some zip code areas had higher factors, and the need to be equitable in providing services outside of target areas with appropriate outreach.

On motion of Councilmember Quintero, seconded by President Brand, duly carried, RESOLVED, the above entitled Resolution No. 2011-97 hereby adopted, by the following vote:

Ayes	:	Borgeas, Olivier, Quintero, Westerlund, Xiong, Brand
Noes	:	None
Absent	:	Baines

(9:15 a.m. “D”) AUTHORIZE THE INTERIM DARM DIRECTOR TO EXPAND THE PROFESSIONAL SERVICES AGREEMENT WITH DYETT & BHATIA URBAN AND REGIONAL PLANNERS TO INCLUDE AN ADDITIONAL AMOUNT NOT TO EXCEED \$700,000 TO COMPLETE THE TECHNICAL STUDIES RELATED TO THE FRESNO 2035 GENERAL PLAN AND DEVELOPMENT CODE UPDATE, AS APPROVED AND FUNDED BY THE CITY’S GRANT AWARD FROM PROPOSTION 84 ADMINISTERED BY THE CALIFORNIA STRATEGIC GROWTH COUNCIL

City Manager Scott noted this was before Council last week, at least three council members wanted an opportunity to meet with staff to discuss the specific projects/products that would be created through this contract, attempts were made to meet but meetings did not occur due to availability issues, Assistant DARM Director Bergthold submitted some written material to the Council offices yesterday which he hoped Council had an opportunity to review, and stated it was his understanding there was still some Council interest to meet with staff before moving forward on this. Mr. Bergthold stated he was ready to answer any additional questions and again gave a brief overview of the issue as contained in the staff report. Councilmember Baines returned to the meeting at 9:58 a.m.

Russell Appling spoke in support of the issue.

Councilmember Borgeas requested the matter be laid over again to allow members to meet with staff and review the latest information provided and made a motion to continue. Upon question of Councilmember Quintero Mr. Scott stated freeing up John Dugan from director duties to work more closely with staff/get things done/keep costs down was still occurring and helping a lot.

On motion of Councilmember Borgeas, seconded by Councilmember Xiong, duly carried, RESOLVED, Item 9:15 a.m. “D” continued two weeks, by the following vote:

Ayes	:	Baines, Borgeas, Olivier, Quintero, Westerlund, Xiong, Brand
Noes	:	None
Absent	:	None

(9:30 A.M.) RECOMMENDATION FOR PRE-EMPTIVE MOTION FOR THE FY 2012 BUDGET (REDUCE THE OVERALL COUNCIL BUDGET BY \$105,000) – PRESIDENT BRAND

President Brand stated this was by far the most challenging year the city has ever faced and everyone was well aware of the challenges for 2012, stated the two lynchpins in the budget were the privatization of commercial solid waste and employee concessions, stated there could easily be a \$5 million gap to fund as at this time there was nothing from the employees groups and no solid consensus on privatization, stated everyone needed to make a contribution and he was asking Council to make a preemptive move of \$15,000 per Council district (\$105,000 total) with the funds placed in contingency for a decision during budget deliberations on where to apply that money, and made a motion to reduce the overall 2012 Council budget by \$105,000, elaborating throughout.

Russell Appling, homeless, spoke to city budget issues/challenges/revenue options.

Councilmember Borgeas commended this and all other efforts the Council body has made to give back to the general fund and explained, and added Council should continue to be prepared to give back in both real and symbolic terms, stated he was 110% supportive of this but felt this was a lot out of context as this would be a legislative action right in the middle of budget and the timing takes this out of the budget process context, stated if this reduction is made he wanted a determination on where the money will be going specifically, and elaborated further, recommended this initiative be moved to the budget process as the needs were unknown at this time, **(3 – 0)** and made an amendment to the motion to move this to the budget process with a specified use.

Councilmember Xiong spoke in support of moving this to the budget process but stated he could not support the request and explained. Councilmember Westerlund stated this was a great motion worthy of consideration in the context of the budget process but added he had a concern about possibly setting a precedent in terms of piecemealing budget issues/options. Councilmember Quintero concurred this needed to be part of the overall budget discussion stating once discussions are concluded and options are presented Council will be better able to evaluate what the impacts are going to be. Acting President Olivier stated this was a fantastic, forward-thinking idea to identify a place to cut adding this money might be better used in the general fund especially when discussions are on closing fire stations and ending senior meals. Councilmember Baines stated he would support this today or during budget as this was the right thing to do.

President Brand stated he appreciated the dialog, he was a team player, and he felt it was essential for Council to work together and not have one member try to move Council in a direction they do not want to go; clarified the motivation for this was being in extraordinary times and stated those times and this budget situation called for measures unprecedented; stated for Council to take the lead with a 6% cut would send a message to the employee bargaining groups who are being asked to take a 3% cut that Council was willing to take its own medicine; relative to comments made stated he would be supportive of moving more money to Chief Dyer's arraignment bed proposal and elaborated further on needs; and stated he would respect his colleague's positions and seconded Councilmember Borgeas' amended motion to move this to budget deliberations. Relative to Council setting the tone by taking a cut early on Councilmember Westerlund suggested this request be acted upon after all departments have made their presentations which would happen before June 20th, with President Brand stating he would leave the motion as is.

On motion of Councilmember Borgeas, seconded by President Brand, duly carried, RESOLVED, Item 9:30 a.m. moved to the budget deliberation process beginning June 20, 2011, by the following vote:

Ayes	:	Baines, Borgeas, Olivier, Quintero, Westerlund, Xiong, Brand
Noes	:	None
Absent	:	None

(10:00 A.M.) HEARING ON CFD NO. 11, ANNEXATION NO. 42, TRACT NO. 5977, PROPERTY LOCATED ON THE NORTHWEST CORNER OF INTERNATIONAL AND CHESTNUT AVENUES

#1 RESOLUTION NO. 2011-98 – ANNEXING TERRITORY AND AUTHORIZING THE LEVY OF A SPECIAL TAX

#2 RESOLUTION NO. 2011-99 – CALLING A SPECIAL MAILED-BALLOT ELECTION

#3 RESOLUTION NO. 2011-100 – DECLARING ELECTION RESULTS

#4 BILL NO. B-18 – ORDINANCE NO. 2011-17 – LEVYING A SPECIAL TAX FOR PROPERTY TAX YEAR 2011-12 AND FUTURE TAX YEARS

President Brand announced the time had arrived to consider the issue and opened the hearing.

City Engineer Mozier reviewed the issue and recommended approval, all as contained in the staff report as submitted. Councilmember Borgeas left the meeting at 10:15 a.m.

Upon call, no one wished to be heard and President Brand closed the hearing.

On motion of President Brand, seconded by Councilmember Baines, duly carried, RESOLVED, the above entitled Resolution Nos. 2011-98, 2011-99 and 2011-100 hereby adopted, and the above entitled Bill No. B-18 adopted as Ordinance No. 2011-17, by the following vote:

Ayes	:	Baines, Olivier, Quintero, Westerlund, Xiong, Brand
Noes	:	None
Absent	:	Borgeas

(10:15 A.M.) REGULAR MEETING OF THE REDEVELOPMENT AGENCY

The City Council recessed at 10:26 a.m. and convened in regular session as the Redevelopment Agency.

APPROVE AGENCY MINUTES OF MAY 12, 2011

On motion of Member Brand, seconded by Vice Chair Olivier, duly carried, RESOLVED, the Agency minutes of May 12, 2011, approved as submitted.

(‘A’) AGENCY BOARD ACTIONS RELATED TO THE PROPOSED REHABILITATION OF 129 N. COLLEGE AVENUE INCLUDING CONSTRUCTION OF A GARAGE AND INSTALLATION OF LANDSCAPING:

#1 ADOPT FINDING OF A CATEGORICAL EXEMPTION PURSUANT TO CEQA

#2 APPROVE A JOINT AGREEMENT BETWEEN THE RDA AND THE STATE CENTER COMMUNITY COLLEGE DISTRICT FOR PARTICIPATION IN THE PROJECT

#3 APPROVE A SERVICES AGREEMENT BETWEEN THE RDA AND THE COALITION FOR URBAN RENEWAL EXCELLENCE (CURE) FOR CONSTRUCTION CONTRACTING/CONSULTANT SERVICES RELATED TO A HOUSING RECONSTRUCTION PROGRAM WITH FRESNO CITY COLLEGE INVOLVING THE REHABILITATION OF 129 N. COLLEGE AVENUE

Project Manager Barletta reviewed the issue and recommended approval, all as contained in the staff report as submitted. Member Borgeas returned to the meeting at 10:30 a.m.

Nathan Magsig with CURE encouraged the Agency's support.

On motion of Member Baines, seconded by Member Brand, duly carried, **RESOLVED**, the finding of a Categorical Exemption hereby adopted, and the above entitled Joint Agreement with the State Center Community College District and the Services Agreement with The Coalition for Urban Renewal Excellence hereby approved, by the following vote:

Ayes	:	Baines, Brand, Borgeas, Olivier, Quintero, Xiong, Westerlund
Noes	:	None
Absent	:	None

The Redevelopment Agency adjourned its meeting at 10:33 a.m. and the City Council reconvened in regular session.

CLOSED SESSION:

(‘A’) CONFERENCE WITH LEGAL COUNSEL/EXISTING LITIGATION – CASE NAME: CARPENTER’S LOCAL UNION 701 V. CITY OF FRESNO

The City Council met in closed session in Room 2125 at the hour of 10:34 a.m. to consider the above matter and reconvened in regular open session at 11:10 a.m.

RECESS – 11:10 A.M. – 11:30 A.M.

CONTINUED HEARING ON THE FISCAL YEAR 2011-2012 CITY BUDGET

President Brand announced the time had arrived to consider the issue and reopened the public hearing.

INFORMATION SERVICES DEPARTMENT (ISD):

Chief Information Officer Hogg reviewed her department's budget which included Operational Goal, Good News, Revenue Picture, Proposed Budget, Strategies Used to Create the Proposed Budget, and the Future/Encourage the Use of New Technology, all as contained in the written handout submitted.

Ms. Hogg, Budget Director Smith, ACM Rudd and City Manager Scott responded to questions and comments of President Brand and Councilmember Baines and/or clarified issues relative to adequacy of funding for system replacement, Webpage software and security, employee time tracking software and system problems, the different systems in departments, department highlights/accomplishments, if the budget provided for needed resources, benefit of leasing computers, computer replacement, department efficiencies, if there were areas to go paperless (**4 – 0**), Microsoft SharePoint, document imaging, savings, other things that can be done technology-wise to increase efficiencies, value of multi-dimensional systems, request for an analysis on savings by fully integrating Microsoft SharePoint, importance/obligation to be as efficient as possible, and commendation to staff for their work and appreciation of their responsiveness to needs.

LUNCH RECESS – 12:11 P.M. – 1:31 P.M.

ISD – CONTINUED:

Councilmember Westerlund presented comments and questions at length relative to the 3,000 work stations, “end of life” date, warranties, if an analysis has been done to determine failure rate when warranties expire, computer replacement/capacity of replacement computers, status of replacement fund, if an analysis was needed on the replacement program, if an administrative security policy was in place, FAX machine server, standard policy to run a FAX server, number of FAX machines citywide and request for information on number of machines and cost, cell phone policy, status of cell phone stipend program, cell phone carriers, cell phone cost before the reduction, wireless capability on the Mariposa Mall, if numbers were available on who utilizes the wireless service, request for information on cost per wireless user, and internet band-width. Ms. Hogg was thanked for her presentation and there was no further discussion.

PERSONNEL SERVICES DEPARTMENT:

Personnel Services Director Bond reviewed her department’s budget which included Operation Goal, Good News, Revenue Picture, and Strategies, all as contained in the written handout submitted.

Councilmember Westerlund presented questions and comments relative to types of training, mandatory training requirements, and law changing and impacts and lack of training programs in place for employees, with Ms. Bond, City Attorney Sanchez and City Manager Scott responding throughout. Ms. Bond was thanked for her presentation and there was no further discussion.

Workshop on Worker’s Compensation:

Risk Manager Turner gave a PowerPoint presentation on the issue entitled “What is Worker’s Compensation?” which consisted of Program Self Insured – August 1973, Types of Injuries, Benefits, Budget Projections, Worker’s Compensation Payments – FY 2009-11, and Controlling Costs, and along with Senior Risk Analyst Connelly and Budget Director Smith responded to questions of Councilmembers Borgeas, Westerlund, Xiong and Baines and/or clarified issues relative to injuries, reason for the rise in claims/if an analysis has been conducted, amount budgeted for FY10/FY10 actual, amount budgeted for FY11, if the same trend will be seen in FY12, trend analysis, injury pay analysis, liability claims, injury pay/disability, if injury pay is high compared to peer cities/request for survey, unemployment insurance costs and number of claims, and increased payment to the police department from 2009 – 2011 and reasons therefore. There was no further discussion.

TRANSPORTATION DEPARTMENT - Fleet Management and Fresno Area Express [FAX]:

Transportation Director Hamm reviewed his department’s budget which included Operational Goal, Good News, Revenue Picture, Strategies, and Capital Projects, all as contained in the written handout submitted.

Russell Appling, homeless, spoke to various issues.

Mr. Hamm, department staff, ACM Rudd, City Attorney Sanchez, City Manager Scott, Administrative Manager Healey and Budget Director Smith responded to questions of Councilmembers Baines, Olivier, Quintero and Xiong and/or clarified issues relative to CNG fleet/savings (**6 – 0**), cost to convert from diesel to LNG, conversion goal and timeline, fleet replacement plan, Bus Rapid Transit (BRT), history of FAX, number of other cities who operate their own transit service/if privatization was possible/feasible, growth in senior housing in southeast Fresno/plans to bring back Route 12/need for meetings and community input, department funding/if there was any general fund subsidy, actual cost per bus ride/cost recovery, Para-transit/Handy Ride and cost recovery, plans for route expansions, diesel fuel funding, status of the Handy Ride facility, and the trolleys and use by Fresno County/cost. Mr. Hamm was thanked for his presentation and there was no further discussion.

CONVENTION CENTER:

SMG General Manager Overfelt reviewed his department's budget which included the Management Contract, Operational Goal, Good News, Revenue Picture, Strategies, Capital Projects, Daily Rental Rates **(7 – 0)**, and Increases.

Mr. Overfelt, ACM Rudd, Budget Director Smith and City Manager Scott responded to questions and comments of Councilmember Baines at length relative to relationship of the Convention Center to the City and SMG, comparison of the Selland Arena to the Save Mart Center, if the Selland Arena and Save Mart Center were losing money, if Mr. Overfelt was happy with the shows booked at Selland, if the City owned the Selland Arena, general fund contribution, what was needed to make the facility break even, if cutting the venture loose altogether had been considered, plans/strategy to break even, who subsidizes the Save Mart Center, how long the City has contracted with SMG, reason for outsourcing if no one can made the facility break even, the millions made in improvements and why it was still hard to attract major acts, Saroyan Theater issues, resources needed to break even if there were no budgetary constraints, concern with the \$1 million subsidy and the facility being below industry standards, and need for a general Council discussion on what the City is going to subsidize and how much. Acting President Olivier requested staff provide a rental rate comparison with local competitors. Mr. Overfelt was thanked for his presentation and there was no further discussion.

Relative to #9 on the Council Direction Budget List Councilmember Xiong clarified he was requesting information on what the 3% concession for Enterprise Departments would be used for if it *is* realized.

ADJOURNMENT

There being no further business to bring before the City Council, the hour of 4:20 p.m. having arrived and hearing no objection, President Brand adjourned the Budget Hearing to Friday, May 27, 2011, at 8:30 a.m.

Approved on the ____9th____ day of _____June_____, 2011.

_____/s/_____
Lee Brand, Council President

ATTEST: _____/s/_____
Yolanda Salazar, Assistant City Clerk